

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 226 – SB 330**

February 20, 2015

**SUMMARY OF BILL:** Defines the term “public highway”, as it relates to the Prevailing Wage Act for State Highway Construction Projects (PWA), as any street, road, highway, expressway, bridge, or viaduct, including an adjacent right-of-way, that is owned, constructed, or maintained by the state, or any municipality or political subdivision of the state. Specifies as exclusions to the definition of “public highway” any privately owned or maintained highway, road, or street. Replaces references to “streets, highways or bridges” with references to “public highway” in certain definitions within the PWA.

**ESTIMATED FISCAL IMPACT:**

**NOT SIGNIFICANT**

**Assumptions:**

- The prevailing wage rate is determined by defined standards specified in the PWA and determines the rate paid to workers on all state highway construction projects.
- Highway contractor’s entering into a state contract for work on state highway construction projects are required to pay no less than the prevailing wage rate.
- The Department of Transportation (TDOT) indicates that the department does not detect any change to the final cost of highway construction projects as a result of this bill.
- TDOT further indicates the definition of “public highway” proposed in this bill is consistent with the department’s understanding of the PWA.
- TDOT confirms that the department cannot determine any TDOT projects involving privately-owned or maintained highways, roads, and streets under current law.

**IMPACT TO COMMERCE:**

**NOT SIGNIFICANT**

**Assumption:**

- Given that this bill is unlikely to change the cost for TDOT to perform any highway construction project, the change in business revenue and business expenditures is unlikely to change; thus any impact to commerce and jobs is considered not significant.

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**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink, reading "Jeffrey L. Spalding". The signature is written in a cursive, flowing style.

Jeffrey L. Spalding, Executive Director

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